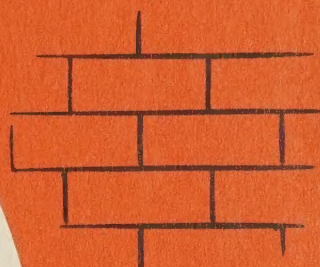
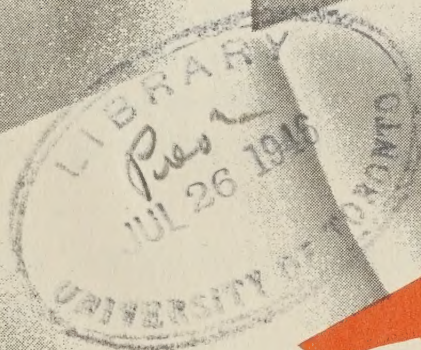


HANDBOOK

on

**SUGGESTION
PLANS**




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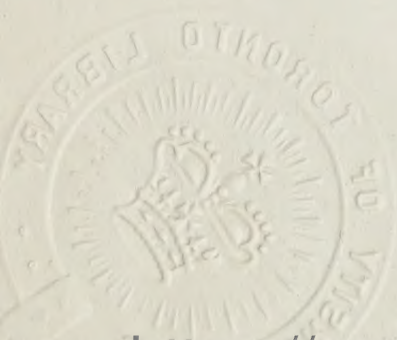


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HANDBOOK

ON SUGGESTION PLANS



PROMINENT among the activities of most Labour-Management Production Committees is their work on the suggestion plan, which stimulates employees to submit their ideas on how greater production efficiency can be attained.

Through this channel the Labour-Management Production Committee taps the hidden resources in a plant, the production know-how and the accumulated knowledge of the man at the bench. It encourages him to make full use of his ingenuity and of his skill. It gives him an opportunity to express what he has perhaps had in mind for a long time; increases his pride in his job because it gives him an opportunity to improve the way in which it is done.

When properly operated this activity of the L.M.P.C. reduces costs, conserves time, effort and materials.

No overall suggestion plan exists. The L.M.P.C. Sub-Committee on Suggestions, if it is to get results, must formulate the details of its policies and procedures in such a way that they meet the needs of its own individual plant. But those plans which have achieved the greatest success have many features in common and it is their general principles and methods of organization which this booklet proposes to discuss.

**"TAILOR" YOUR PLAN
TO INDIVIDUAL
PLANT NEEDS**

The work of the suggestion sub-committee, no less than other L.M.P.C. activities, rests on a foundation of good labour-management relations. Common sense would indicate that the suggestion plan will not work

when management and labour are at loggerheads, or when deep-seated differences of opinion exist.

A Labour-Management Production Committee in which management and labour make sincere and honest efforts to co-operate, provides the best assurance that the suggestion plan will find a ready response from the employees.

The success or failure of the suggestion plan in the long run depends upon the number and quality of ideas which workers in the plant deposit in suggestion boxes. Without their support and participation the whole scheme, no matter how elaborate, falls to the ground.

**MANAGEMENT MUST
HAVE CONFIDENCE
OF LABOUR**

Cash awards are important. So is formal recognition. But against this is the ever-present doubt in the worker's mind as to what effect the suggestion plan is going to have on his own and fellow-employees' rates of pay and job security. This and the fears that a suggestor may "suggest himself out of a job", that the plan is a method of "speeding up" operations, that suggestions may not be treated fairly, are much more easily dispelled when workers have been assured of management's good faith and know that their own representatives on the L.M.P.C. fully support the plan and have a say in the acceptance or rejection of suggestions which are submitted.

To confine L.M.P.C. activity to suggestions exclusively, or to allow the main committee to deteriorate to the point where it becomes merely an adjunct of the suggestion plan, is an unwise and short sighted practice. It is only through the total activities of the L.M.P.C. that management can give evidence to the workers that it is interested not only in the suggestions they can make, but equally in the solution of all problems which are of common concern.

Concentration of L.M.P.C. effort upon suggestions exclusively may, therefore, very well result in destroying the foundation of mutual trust and good will upon which not only the suggestion plan but all other L.M.P.C. activities rest.



Suggestions are essentially a flow of ideas from employees to management and this one-way traffic cannot successfully be sustained over an indefinite period. Under such circumstances the role of the worker is reduced to the mechanical act of depositing his idea in the suggestion box and then waiting for its acceptance or rejection. He is not so likely to co-operate as are those employees who are brought into active participation by their own representatives both on the parent body of an active L.M.P.C. and on the Suggestion Sub-Committee.

**WORKERS MUST BE
DRAWN INTO ACTIVE
PARTICIPATION**

Mr. W. C. Coulter, President of Coulter Copper & Brass Company, Toronto, has this to say on the relationship of suggestions to the L.M.P.C. "Valuable suggestions, resulting in greater efficiency and increased production have been made through our Joint Labour-Management Committee. We have been able to use 34% of all suggestions submitted. I think, however, that restricting the activities of a committee of this kind to suggestions alone would so curb its activities as to nullify many other positive features which it has to offer. Consequently, our Committee agenda provides for the widest possible discussion, dealing with everything in which we have a mutual interest. (Grievances are handled through the usual Trade Union channel.)"

Distinct and valuable contributions to plant efficiency result from the ideas submitted to the Suggestion Sub-committee through suggestion boxes. But they are not the only suggestions which result from L.M.P.C. activity. Some of the best contributions emerge from the discussions which take place both on the main L.M.P.C. and on Sub-committees dealing with plant safety, conservation of materials, care of tools, etc.

**DISCUSSION GROUPS
ARE MUTUALLY
BENEFICIAL**

These ideas are a joint product of co-operation between management and labour. Here are two examples of such committee activity given by Mr. J. A. Young, Vice-President and Treasurer of Pacific Mills Limited, Vancouver;—

"One concrete example of the co-operation on production which we have obtained through our plant Union-Management Committee is the case of a towel-folding machine. The production on this machine had gradually dropped to about fifty percent of standard. This situation was discussed in one of our committee meetings and since that time we have improved production up to the normal 100% production standard.

"Another good instance of labour-union co-operation in our plant was the case of a labour demand created by our being compelled to accept an order for 200,000 solid fibre butter boxes for New Zealand. We had the material, but no labour to put the order through our box plant. The problem was jointly discussed in the Union-Management meeting and ways and means developed largely through volunteer labour for working four-hour shifts after the regular day shift had been worked. By this means and by transferring men from other operations, we manned the box plant and completed the butter box order."

Mr. R. C. Holbrook, President of Liquid Carbonic Canadian Corporation Ltd., Montreal, reports the following; "Production has very appreciably been helped by the activities of the Committee. In one instance management told it that the plant was losing money on one job — a type of work we had undertaken for the first time. The Committee spoke to the workers concerned, followed up with constructive suggestions and the man-hours on this particular item were reduced from 55 to 35."

AIRCRAFT INDUSTRY EMPLOYEES' SUGGESTION PLAN

Of nation wide scope during the war years was the Aircraft Industry Employees' Suggestion Plan, which operated in leading Canadian aircraft plants. Under the plan, a maximum award of \$500.00 was payable for suggestions effecting tangible savings of labour or material. The maximum award for suggestions resulting in intangible savings was \$10.00. Awards were chargeable to overhead when made in accordance with the rules and regulations laid down by the Department of Munitions and Supply. Initiated in the Fall of 1942 the plan effected substantial tangible savings. During the three years of its operation employees in the aircraft industry received a total of \$129,870.00 in awards.



HOW TO INITIATE A SUGGESTION PLAN



BEFORE the suggestion sub-committee gets under way, it is essential that preliminary discussions on all phases of the plan take place between management and labour groups in order that they may arrive at a mutually acceptable working agreement. At the very outset it should be emphatically stated and made known throughout the plant that the suggestion plan has no relation to a "speed-up" system and that it will not jeopardize job security.

Top management must make it perfectly clear to its junior executives, supervisors, and to foremen, that it fully endorses the suggestion plan and explain it to them. The necessity for doing this cannot be over-emphasized, since the success of the plan depends not only upon the acceptance, but upon the co-operation and participation of this level of management.

Of equal importance is the co-operation required of labour. This is accomplished through full discussion of the plan at union meetings and labour groups, by giving labour a voice in the formulation of the suggestion policy, and a place on the committee which makes decisions on ideas which are submitted.

The suggestion sub-committee is normally appointed by the main L.M.P.C. It is composed of an equal number of management and labour representatives who are chosen for their authority and because they possess a good working knowledge of actual production processes.

No definite procedure as to the allocation of authority for making monetary awards can be laid down; the diversity is too great. Generally, however, the means employed fall into two broad categories.

ALLOCATION OF AUTHORITY FOR DETERMINING AWARDS

1 Management may retain the right to decide the amount of each individual award.

2 Either the main L.M.P.C. or the suggestion sub-committee may be given authority to make the final decision. When award decisions are made at this level, management representatives on the L.M.P.C. and on the suggestion sub-committee have sufficient authority to act without further consultation. In plants where either of such procedures is followed the method of calculating awards is laid down with sufficient detail to assure top management that its award policy will be adhered to.

Irrespective of whether management or the L.M.P.C. makes the final decision, the suggestion sub-committee investigates and evaluates the suggestion in the first instance and their recommendation forms the basis on which awards are considered.

The method of calculating awards, once it has been established, must be impartially and consistently carried out. The classification upon which awards are based should be publicized throughout the plant.

Awards for suggestions are usually paid to all employees below the rank of foreman. Normally excluded are those persons who are engaged to develop new designs and methods, etc. The customary procedure is to incorporate a statement on ineligible employees in the Suggestion Plan Rules.

DUTIES OF THE COMMITTEE

The work of suggestion sub-committees varies somewhat in different plants, but the duties outlined below are those which are generally undertaken. In large firms the routine work is handled by a Suggestion Department.

STIMULATE

- Encourage employees to make suggestions.
- Initiate or assist in the publicizing of the suggestion plan. (This is frequently done with the co-operation of the L.M.P.C. Sub-committee on Publicity.)
- Keep suggestion plan bulletin board interesting and up to date.
- Arrange ceremonies for presentation of awards to suggestion winners.

- Do everything possible to expedite the flow of submitted suggestions.
- Speed up recommendations for acceptance or rejection. Prolonged lack of action on suggestions after they have been submitted will destroy employees' interest in the plan.
- Pass on to the editor of the house organ the names of employees who have won awards. Where no house organ exists, make certain that names—and photographs if possible—of suggestion award winners are posted regularly.

CO-OPERATE

- Work in close conjunction with sub-committee drives on conservation, production, safety, etc.
- Follow up on accepted suggestions to see if they can be applied to other departments or divisions in the plant.
- Refer ideas on health, safety, absenteeism, etc., to sub-committees dealing with those activities.

ASSIST

- Many employees who have suggestions to make may not know how to express themselves clearly. In some cases the complete expression of an idea requires drawings or accompanying sketches beyond the ability of the average employee. For this reason it is important to make use of the services of engineers, supervisors and foremen, whose co-operation has been assured through the efforts of the L.M.P.C.

PLAN

- Devise an office routine best suited for handling suggestions.
- Arrange an acknowledgement procedure—personal letters or cards—for all suggestions.
- A certain percentage of ideas which are submitted will be rejected. It is advisable to plan beforehand a particular procedure for these

suggestions: there is always a danger of choking off enthusiasm. A blunt refusal is a rebuff to further effort. Many plants have discovered the value of explaining why every rejected suggestion is not practicable.

- Service suggestion boxes throughout the plant. Make available an adequate supply of suggestion forms to employees at all times. Collect suggestions from suggestion boxes periodically. Date-stamp all suggestions as soon as they are collected from the suggestion box to avoid difficulties on the question of priority.





ASSISTANCE TO EMPLOYEES

To make employees more conscious of possible improvements which can be made in their work, production processes may be broken down into their basic operations. The object is to provoke thought within certain definite spheres.

The break-down which is shown here has helped to produce good results. It has been used in many ways; printed on the backs of suggestion forms, on posters, above suggestion boxes, in house organs, and distributed to employees with an appropriate lead as pay envelope stuffers.

1

To Eliminate:

1. A part or parts in the product.
2. An operation or excess finish.
3. Excess material or weight.
4. Tooling that is expensive or unnecessary.
5. An unnecessary moving part of a machine.

To Combine:

1. Parts.
2. Operations.
3. Tooling (dies, forms, blocks, jigs).

To Improve:

1. Layout of machines, equipment or working areas in shop and office.
2. Design of parts to simplify fabrication or improve uniformity.

3. Moving of material to production lines or at machines.
4. Storage, packing or shipping.
5. Factory trucks, tote boxes, racks and bins.

To Change:

1. From a difficult to a more simple operation.
2. From a hand operation to a machine or foot pedal.
3. The sequence of operations to eliminate set-ups.
4. To use fast acting clamps, pins, guides or stops for positioning devices.

2

Protection and better maintenance of electric motors, lines or equipment.

Better maintenance of steam and water pipes.

Cleanliness of wash rooms.

Maintenance of buildings, sheds, garages, power houses.

3

Generally:

1. To eliminate unnecessary travel by persons or parts.
2. To eliminate waiting for materials, tools or parts.
3. To eliminate paper work, forms or re-typing.
4. To improve office procedure, filing methods, etc.
5. To eliminate waste and spoilage.

4

To make work easier.

To reduce fatigue.

To improve ventilation, elimination of dust or bad odors.

To improve lighting conditions.

To better plant cleanliness.

5

Fire precautions—to eliminate hazards.

6

Safety precautions—to eliminate hazards and accidents.

The Suggestion Plan gets off to a flying start when it is initiated with a plant-wide publicity campaign. The extent of such a program depends, of course, upon the size of the plant and its facilities for disseminating information.

Publicity should give full information on the purposes, objectives and rules of the suggestion plan. Employees' interest should be channelled upon the lines along which suggestions are required.

The L.M.P. Sub-committee on Publicity can either assist in this work, or where its members are familiar with details of the plan, be made responsible for all publicity associated with it.

A highly effective way of establishing the suggestion plan is to have brief introductory statements made on the subject, explaining its purpose and scope, by leading representatives of both management and labour. This can be done either on the public address system, by plant-wide meetings, or through the medium of the house organ, or posted bulletins.

No suggestion plan can be put into effect without the active participation of the rank and file workers: in order to get this participation it is essential that either the Publicity or the Suggestion Sub-committee keep all employees informed of the program and make them acquainted with its achievements.

Advising the employees of what their part in the suggestion plan is going to be and sustaining their interest is of profound importance and any form through which this is accomplished is valid.

To men and women volunteering ideas the prestige of seeing themselves in print in their own house organs, and gaining honour among their fellow-workers, means just as much in many cases as winning monetary awards.

If no house organ exists, then simple notices on bulletin boards with photographs of those employees who have made acceptable suggestions will very well serve the purpose.

Attention can also be focused upon the plan by inviting poster ideas or by conducting poster contests.



Interest can be stimulated by showing the benefits of the suggestion plan which accrue both to the company and to employees.

Publicity should impress every employee with the fact that his own particular job can be improved, and that his ordinary day-to-day operations should not be forgotten.

METHODS FOR STIMULATING SUGGESTIONS

1. Make all suggestion sub-committee activities a joint effort of labour and management.
2. Do not allow publicity efforts to lag. Publicity must be continuous.
3. Tie up suggestion publicity with main L.M.P.C. drives on conservation of materials and equipment, safety, care of tools, etc.
4. Make sure that suggestors get all the assistance they need.
5. Publicize rules showing ineligible suggestions, how suggestions are handled, names of suggestion committee members, awards and how they are calculated, and those employees who are ineligible.
6. Reduce time of handling suggestions to a minimum.
7. Devise special procedure for rejects.
8. Publicize names of award winners.

WHAT TYPES OF SUGGESTIONS ARE INELIGIBLE

To offset disappointment, it is wise to let employees know beforehand those types of suggestions which are ineligible for awards.

Ineligible types will vary in different plants, but generally suggestions are ineligible for awards when;

- (1) The suggestion is vague: no definite proposal for improvement is made. To say that a certain operation should be improved is not sufficient. The suggestion must indicate how the improvement is to be made.
- (2) A similar or identical suggestion is already under consideration.
- (3) The amount of savings does not justify the cost of the suggested change.
- (4) The suggestion is actually a grievance. This will be turned over to the proper authority.
- (5) A particular operation is still in the developmental stage, when it has been standardized suggestions become eligible.

Numerous examples exist of suggestion plans bogging down or floundering because foremen and supervisory staffs were not thoroughly informed and because no attempt was made to gain their support of the plan.

THE ATTITUDE OF FOREMEN AND SUPERVISORS

Many uninformed foremen and members of supervisory staff have, what appear to them, justifiable objections to the suggestion plan. They believe that suggestions made by employees in their departments indicate to top management a lack of interest and ingenuity on their part: that men under them are showing them up. A feeling of insecurity and loss of prestige results when they are not brought into the picture, and this feeling is augmented when they are by-passed or when no provision is made for their participation in the plan. To get active participation of foremen and supervisors, they must not only be informed on the subject, but actually brought into some of the activities of the plan.



Co-operation of foremen has been achieved in many plants by the use of the following procedure :

HOW TO SECURE THE CO-OPERATION OF FOREMEN

- Top management discusses the plan with its foremen and supervisors and emphasizes the fact that it endorses the plan.
- It becomes understood by all that it is a part of the foremen's and supervisors' duties to assist and encourage suggestions in every possible way.
- It is recognized that advancement within the firm will in part be determined by the number of suggestions originating from each of the foremen's and supervisors' departments.
- Awards in various forms are made to those foremen and supervisors from whose departments most suggestions have been received.
- Employees with ideas are encouraged to contact their foreman for assistance in presenting their suggestions.

THE RELATION BETWEEN FOREMANSHIP TRAINING COURSES AND SUGGESTION PLANS



J.I.T. JOB INSTRUCTION TRAINING

J.I.T. is specifically designed to help foremen, subforemen, chargehands and job setters to develop their instructive ability by acquainting them with a four-step plan of instruction. Throughout the training sessions emphasis is placed on "learning by doing"; members receiving the course practise the four-step plan and demonstrate their teaching ability by instructing others of the group on projects brought in from the shop.

Since employees who have been well instructed in their jobs and who understand them thoroughly are more apt to suggest improvements than those who have not received such training, it follows that J.I.T. provides a good background for the suggestion plan, especially when followed up by the Job Methods Training course.

J.M.T. JOB METHODS TRAINING

J.M.T. offers a practical plan to help produce a greater quantity of quality production in less time, by making the best use of the manpower, machines and materials at hand.

Its purpose is to make jobs easier and safer; it definitely is not designed to make people work harder or faster. It can be applied to any job and should there be room for improvement, this plan, if properly applied will bring it out. This course is especially beneficial to foremen and operational management and ties in well with Labour-Management Production Committees and suggestion committees as it provides to the suggestor a technique of developing proposals and to the Committee a uniform method of handling them.

(These courses are provided by the Canadian Vocational Training Branch, Department of Labour, Ottawa.)



HOW DOES IT WORK ?

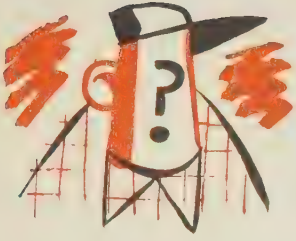
- 1** The suggestor, before submitting his idea, may, if he requires help, talk it over with his foreman.
- 2** After the suggestion has been submitted, it is date-stamped and the necessary records made.
- 3** When identical or similar ideas are submitted they must be assessed upon the basis of a definite and impartial procedure.
- 4** If the suggestion itself is not practicable, but the discussion of it by committee members leads to some useful idea, most plants give the originator an award based on the value of the developed idea.
- 5** An acknowledgement card or letter is sent to the originator of the suggestion. In case there is any delay in subsequent stages of investigation, this card assures the suggestor that his idea has been received. It tides him over. (A copy of this card may also go to his foreman or supervisor.)
- 6** As soon as possible a representative of the Suggestion Sub-Committee calls on the originator to discuss his idea with him. The suggestor recognizes by this informal talk that his suggestion is being given proper attention and that it is being seriously considered. Not infrequently it helps in restating or enlarging upon the suggestion.
- 7** When the suggestion cannot be put into effect in the near future, the originator is notified in the usual manner and the suggestion itself is placed on a special file.

- 8** In the case of an important or unusually involved suggestion, the employee may be invited to sit in on the Suggestion Committee meeting while his idea is being discussed.
- 9** Normally, however, the suggestion committee members, with the help of necessary technicians, etc., decide on acceptance or rejection. In the case of the former, they also decide or advise on the amount of the award, depending upon their terms of reference.
- 10** Accepted suggestions are posted and publicized through available plant channels. The suggestor is notified by a personal letter. When a sufficient number of suggestions has been accepted, the originators are presented with their awards at an appropriate plant ceremony.
- 11** When a suggestor expresses dissatisfaction with his award, he is given an opportunity of presenting his case to the Suggestion Sub-committee.
- 12** The originator of a rejected suggestion is interviewed by a representative of the Suggestion Committee. The good points of the suggestion are emphasized. Personal interviews in this case are important. They prevent misunderstanding and when properly conducted, encourage the suggestor to try again.
- 13** Most plans make provision for the reconsideration of rejected suggestions when the originator requests it. An error in interpretation, or the emergence of new pertinent facts, may make a re-hearing desirable.

THE PROS AND CONS OF ANONYMOUS SUGGESTIONS

The question as to whether suggestors should remain anonymous or whether they should sign their names on suggestion forms is one which is still contested. At a recent meeting of the National Association of Suggestion Systems the majority of representatives favoured a modified form of anonymity. Under such a plan, while employees do not sign suggestion forms they may be called before the committee to explain any phase of their suggestion on which further data may be required. Next in number were those who believed that complete identification was most effective. A small number favoured complete anonymity.

This booklet reflects the findings of the Association in that its procedures assume a modified anonymity or complete identification of suggestors.



It is stated that where the employee does not have to declare his identity during any stage of submission, investigation or award, he retains his freedom of action.

THE CASE FOR

Firms employing this procedure say that it is impartial, impersonal and makes possible the fairest consideration of a suggestion. There is the added factor that foremen do not know which of the employees in their departments have made any particular suggestion.

Many firms utilizing the modified or complete identity method say that there is something wrong in the relations between foremen and employees when the latter prefer to remain anonymous. It is said that if the employee feels that he cannot get an impartial response from his foreman on matters concerning suggestions, then the question arises as to whether he can get a square deal from him on other matters. The good relations which an effective L.M.P.C. can create make complete anonymity neither desirable nor necessary.

THE CASE AGAINST

The valuable assistance which foremen have to offer is lost when the originator of the suggestion remains unknown to this level of management. It is further stated that bad feeling is created among foremen when they remain ignorant of the originators of ideas in their own departments.

The complete investigation of suggestions is made unnecessarily complicated when the suggestor is anonymous, and it is very difficult in a great many cases to analyze the suggestion properly without consulting the originator. It is contended with considerable justice, that rejections which are handled impersonally cause discouragement or apathy.





THE SUGGESTION BOX

The suggestion box may serve as a publicity medium besides being used as a receptacle for submitted suggestions. Its location should be carefully chosen. It may be designed in such a way that it includes a small box for suggestion form blanks, a stand for filling out the blanks, and space for slogans or posters. The box should be kept locked and the key usually remains in the possession of a member of the Suggestion Sub-Committee.

SUGGESTION FORMS

Suggestion forms differ greatly, from single sheets of blank paper with the name of the Committee, to more elaborate types with a great deal of information on them.

Many companies summarize their suggestion rules or the objectives of the plan on these forms, others include a break-down of operations or a classification of acceptable suggestions.

Provision for the employee's name depends on whether the committee decides to keep suggestions anonymous or not. A corner of the form or a strip at the bottom usually serves as the suggestor's receipt. A serial number printed on both form and receipt identifies the suggestion.

The following instructions to suggestors have been culled from a large number of suggestion forms in use in Canadian plants:

1. Make only one suggestion on each form.
2. Describe the present method or operation which you think can be improved.
3. Describe your suggestion exactly and as clearly as possible. (Make a sketch if you think it will help.)
4. Explain the advantages of your suggestion.
5. Do you think it will: Save time.....Conserve materials.....
.....Save tools or equipment.....Reduce accidents.....
Improve working conditions.....
6. If you need help in writing out your suggestion, call on your L.M.P.C. representative or your foreman.
7. Do not forget to tear off the stub in the left-hand corner of this form. It is your receipt.
8. You will receive a letter acknowledging your suggestion in..... days.

Letter to Worker who has Submitted a Suggestion

S L O G A N
LABOUR-MANAGEMENT PRODUCTION COMMITTEE

Name of Company

Name of Union

Date

Dear.....;

We have received your suggestion and want to thank you for submitting it. You may be certain that it will receive careful and serious consideration. It is now being investigated and as soon as a decision is reached we will let you know.

Yours sincerely,

Secretary,
Suggestion Sub-committee.

Letter to Worker whose Suggestion has been Accepted

S L O G A N
LABOUR-MANAGEMENT PRODUCTION COMMITTEE

Name of Company

Name of Union

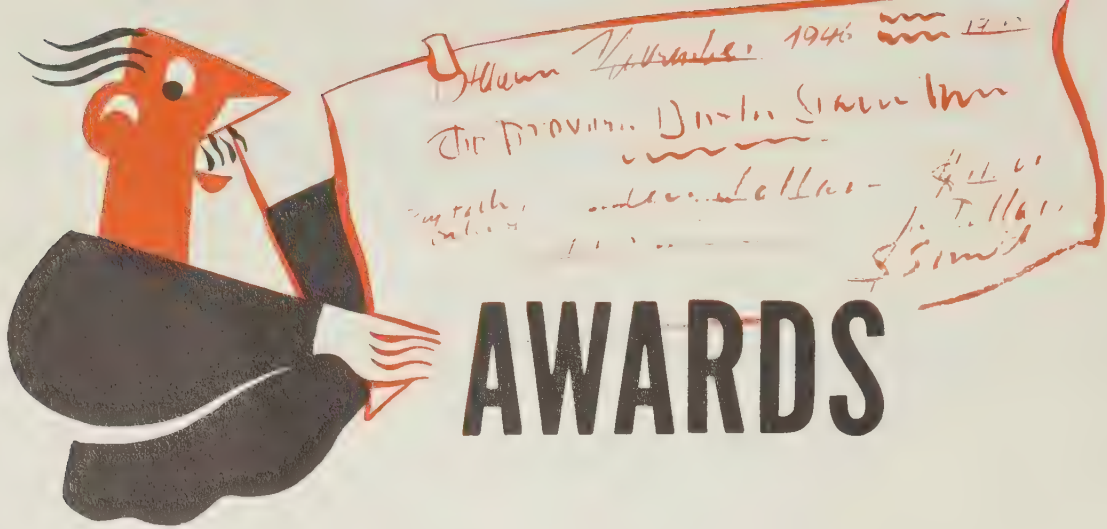
Date

Dear.....;

Congratulations!
The Suggestion Sub-Committee have the very pleasant task of advising you that your suggestion has been accepted. You will receive your award of \$..... at.....
We want to thank you for this suggestion and hope that we will hear from you again.

Yours sincerely,

Secretary,
Suggestion Sub-Committee.



Greater diversity of opinion exists on the subject of awards than on any other feature of the Suggestion Plan.

Since the formulation of a policy on this aspect of the plan is essentially a matter for labour and management to decide upon, this booklet will confine itself to a presentation of those methods of awarding suggestions which are held in common by a substantial number of successful committees.

It might be beneficial at this point to state the conclusions reached in an Analysis of Suggestion Systems by A. W. Hendrickson and A. E. Heusser, published in the May, 1945 issue of "Factory Management and Maintenance".

"Although the formulas used by companies in calculating the amount of award to be granted differ substantially, there are relationships between the award practices of companies and the effectiveness of their Employee Suggestion Plans. The major relationships are:

- (1) The granting of low minimum awards sometimes called token awards, such as some companies offer for safety suggestions, tends to increase the total number of suggestions.
- (2) The granting of even an occasional high award also tends to increase the number of suggestions received.
- (3) As the number of suggestions received increases, the acceptance rate tends to increase. (Part of the increase in the acceptance rate may be attributed to the granting of token minimum awards.)
- (4) As the number of suggestions received increases, the average award tends to decline. (Part of the decline may be attributed to the granting of token awards by companies receiving a large number of suggestions.)"

The following summary of award policies contains only a resume of their salient features.

A number of British firms make awards from 25 to 50% of the first year's savings.

An American electrical manufacturing plant, estimating that the average suggestion has a life of three years, calculates its awards as follows; Savings for this period are estimated and awards paid on 15% of the first \$1,000 of savings, 10% of the next \$1,500, and 2% for every dollar saved after \$2,500. This plant reports that prior to the initiation of the above-mentioned award policy they received 800 suggestions a year. Without making any other changes in their suggestion plan, ideas which were submitted jumped to 1900 at the end of the first 11 months. Possible errors in estimating savings for three years tend to offset each other, it is stated, in that some awards may be a little high, others a little low.

The Consolidated Vultee Aircraft Corporation, besides paying its employees cash awards for their suggestions, also assists them in obtaining patent rights.

In their booklet "Work Simplification Plan", Somerville Limited, London, Ontario, classify their suggestion awards as follows;

CLASS "A" — Every suggestion resulting in a tangible saving of labor or material on repetitive business or operations. Saving will be calculated on production costs for the previous year. This reward is payable in cash, in full, at once. If the suggested improvement concerns a new standard product or operation which will be repetitive, the reward will be calculated on the net saving the improvement makes for one year after adoption. This reward is payable quarterly.

Reward will be at least 15% of the net saving effected. Minimum reward, \$2.00. No maximum.

CLASS "B" — Every suggestion resulting in a tangible saving of labor or material on non-repetitive business. Reward will be 50% of net saving effected.

Minimum, \$2.00. No maximum.

CLASS "C" — Every suggestion resulting in intangible saving of labor or material. Because saving or improvement in this class is non-measurable, the value of the reward will be at the discretion of the committee.

SUMMARY OF AWARD POLICIES

SOMERVILLE LIMITED
LONDON, ONT.

(Perhaps you can simplify your job so that you can do it more easily, and yet no production increase will result. The committee will reward you for maintaining the same production by less work.)

Minimum, \$2.00. Maximum, \$25.00.

CLASS " D " — Every suggestion which results in new or improved designs of present products, or results in the introduction of new products.

Reward will be 3% to 5% of the total sale value of the product for one year, payable quarterly after the suggestion is adopted.

No maximum or minimum.

CLASS " E " — Every suggestion which results in improving the quality of a product, and yet is not sufficient to warrant an increase in price of the product improved.

Minimum reward, \$2.00. Maximum reward, \$25.00.

CLASS " F " — Every suggestion which does not reduce the cost of the products we sell, but does improve working conditions.

Nominal reward, \$2.00.

CLASS " G " — Every suggestion which results in protecting the building or property. Award to be based on the value of the property or building involved.

Classification of Awards

**PACIFIC MILLS,
LIMITED
VANCOUVER, B.C.**

The classification and amount of award will not be decided on by the Suggestion Committee until the suggestion has been approved and in operation to the satisfaction of the Committee.

CLASS "A": Tangible Savings.

CLASS "B": Intangible Savings.

Class "A" Awards

Basis of Awards;

- (1) Ascertain the yearly reduction in costs that will result from savings in time and/or material due to the adoption of the idea in the Plant.
- (2) Deduct the investment cost of inaugurating the idea. If the investment repays itself in one year this cost will not be deducted.
- (3) The net savings will then be used as the basis for awards.

The suggestor will then be entitled to from 0% — 20% of the net savings. The percentage of the net savings that the suggestor will

receive shall be determined upon the basis of ingenuity, originality and completeness. They are graded as follows;

1. Ingenuity	0-9 points	
2. Originality	0-8	“
3. Completeness	0-3	“
	0-20	“ (possible 20%)

Total points evaluated shall be the percentage by which the net savings is multiplied to determine the award.

Example:

A suggestion resulting in \$300.00 net savings (savings less inauguration costs);

8 points for ingenuity	
5 “ “ originality	
2 “ “ completeness	
15 “ — 15%	
\$300.00 net savings	
15%	
\$ 45.00 Award	

Definition of the Three Factors used in Grading:

- (a) Ingenuity (possible 9 points)
An ingenious suggestion is one that shows inventiveness and resourcefulness. The ingenuity of a suggestion is indicated by the skill in devising or combining, and by the cleverness of design or contrivance.
- (b) Originality (possible 8 points)
An original suggestion is one that shows independent and creative thought. An original suggestion does not copy, imitate or reproduce someone else’s idea. Consider whether or not an idea is original to industry, to the Company.
- (c) Completeness (possible 3 points)
Consider whether or not the suggestion is complete in itself and in the write-up. A complete suggestion would present the problem and as near as possible the correct solution to that problem. Allow points for drawings and sketches.

Class “B” Awards — \$2.00 — \$25.00

Class “B” Awards shall be allotted to suggestions where the savings are impossible to estimate, and are such as safety suggestions, breakage of parts, elimination of fatigue, improvement of product, etc. Amounts of Class “B” Awards will be determined by the Suggestion Committee according to the merit of the individual suggestion.

**NORTON COMPANY
OF CANADA,
CHIPPAWA, ONT.**

"The system of awards has been set up to cover safety, merit and savings awards. The safety and merit awards vary between \$5.00 and \$25.00, depending upon the type and practicability of the suggestion, with no limit on savings awards. These awards are all paid in War Savings Certificates.

"Savings awards are calculated so that the suggestor will receive an award equal to 20% of the savings or increase in production which results from the suggestion during the first year it is in effect."

**NORTHERN ELECTRIC
COMPANY, LIMITED
MONTREAL, QUE.**

Northern Electric Company Limited, Montreal, reports the basis of payments for its awards under these headings:

(a) Savings awards are payable up to a limit of \$750.00 for any one suggestion in addition to the \$5.00 nominal award.

(b) The nominal award of \$5.00 shall be paid in cash.

(c) Amounts over \$5.00 shall be paid in War Savings Certificates and/or Government Bonds (at purchase price), odd amounts being paid in cash.

Methods of Computing:

(a) Suggestions applicable to employee's own work:

1/6 of the annual saving on that portion of the work performed by the employee.

(b) Suggestions applicable to work performed by other employees only: 1/12 of the annual saving on work performed by others.

(c) Suggestions applicable to employee's own work which also effect a saving on work performed by others.

(1) 1/6 of the annual saving on that portion of the work performed by the employee, plus

(2) 1/12 of the annual saving on work performed by others.

Savings awards cover suggestions which effect savings of labour, material and expense.

If a suggestion involves more than one of the foregoing classes of saving, the overall award shall be limited to the maximum amount of \$750.

In calculating the amount of saving, allowance shall be made for expenses which will be incurred in order to give effect to the suggestion, e.g. new tools or equipment, modification of present tools or equipment, etc.



Massey-Harris Company, Limited, Toronto employs the following category in its award system:—

**MASSEY-HARRIS
COMPANY, LIMITED
TORONTO, ONT.**

Basis of Awards:

- (a) Suggestions which involve no production saving for material or labour or on which costing cannot be accurately determined shall be evaluated by the Awards Committee by agreement as to the relative value. The maximum award shall be twenty-five dollars.
- (b) In the case of suggestions that effect saving in production costs, the awards shall not be greater than the estimated savings in materials and labour for a period of two months.
- (c) Suggestions which do not come within the classification of Clause B and are not adequately compensated under Clause A shall be subject to a special award. In such cases, an independent award shall be recommended to Management by the Awards Committee; Management will then give due consideration to the recommendation and determine on a suitable award.
- (d) No award shall exceed \$750.00 in total value.
- (e) Any awards exceeding \$100.00 in value shall be referred to the management for approval.
- (f) The minimum award shall be \$5.00.

The William Kennedy & Sons Limited, Owen Sound, Ont. reports its suggestion award policy as follows:—

**THE WILLIAM KENNEDY
& SONS LIMITED
OWEN SOUND, ONT.**

- (1) General suggestions whose value cannot be definitely determined in dollars and cents. The amount of awards for these will be from \$5.00 to \$25.00.
- (2) Suggestions whose value can be determined in saving man hours and money. The amount of awards for these will be $\frac{1}{6}$ of the annual saving on the employee's own job, plus $\frac{1}{12}$ of the annual saving on other jobs.



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ADVISORS TO THE BOARD:

D. B. CHANT

J. R. LATTER

For further information on Labour-Management Production Committees, communicate with:

H. ROSS RUTHERFORD,

*Executive Director,
Industrial Production Co-operation Board,
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Ottawa, Ont.*

The services of the following field men are available for assistance in the establishment of Labour-Management Production Committees:

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*Regional Supervisor, Ontario,
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Amherst, Nova Scotia.*

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*828 Royal Bank Building,
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E. LAJOIE,

*2274 St. Philippe Street,
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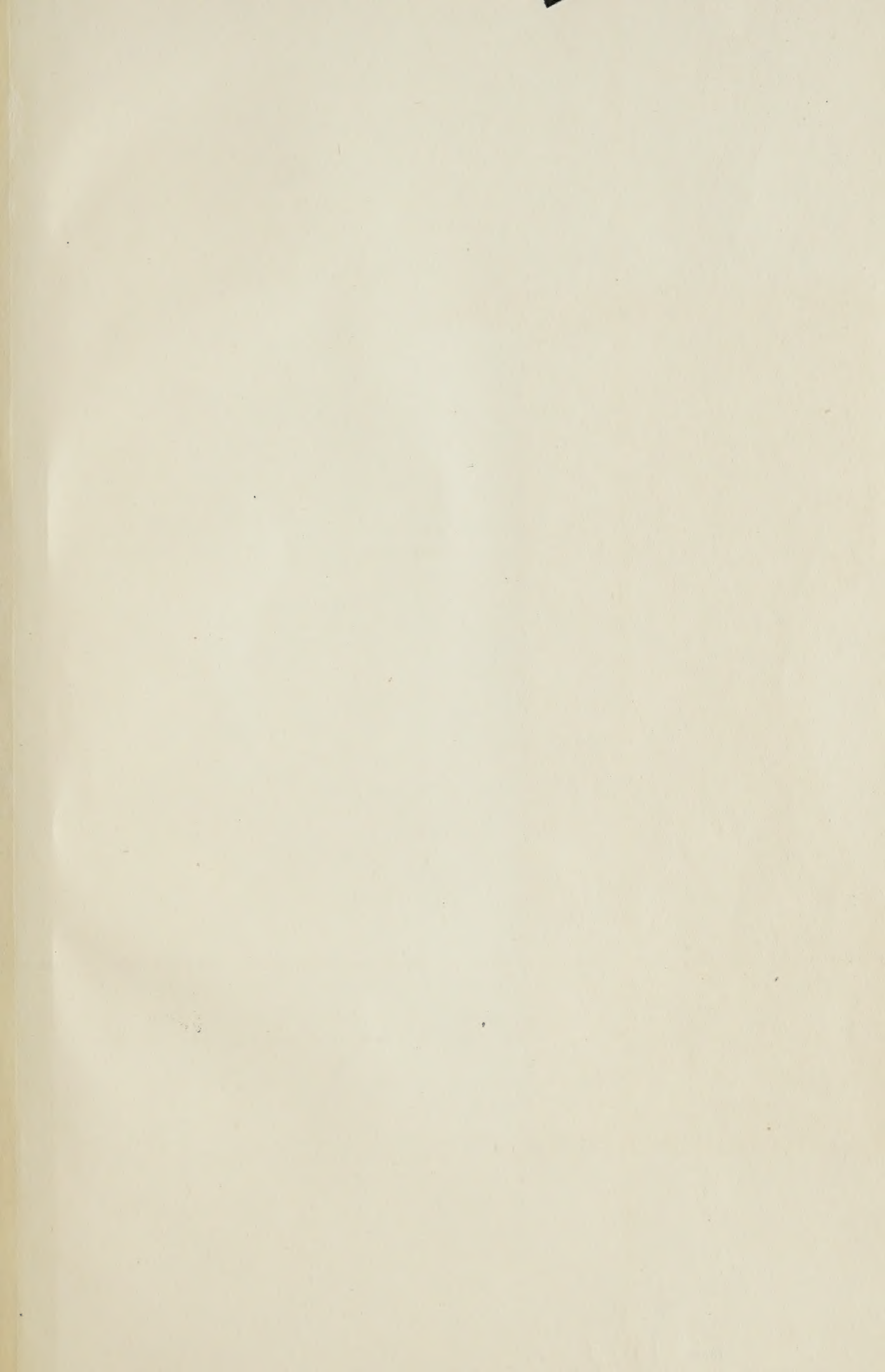
Secretary-Engineer,
Ontario Pulp & Paper Association,
330 University Avenue,
Toronto, Ontario.

J. R. LATTER,

Personnel Director,
Anglo-Canadian Pulp & Paper Mills,
Quebec, P.Q.

D. B. Chant and J. R. Latter, while not members of the field staff, are Advisors to the Board, and their services in a consultative capacity are available.

Copies of "Victory in the Making — A Guide Book for Labour-Management Production Committees," "Partners in Production, A Report on Labour — Management Production Committees in Canadian Industry," and other bulletins are available on request. The Board also has a number of films on labour-management production committees, showings of which may be arranged.



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